

SHAP Joins Chrysler's Rise with Updated Paint Shop

by Gerald Scott
Editor
U.S. Auto Scene

Has there been an auto plant in the metro Detroit area that has become a greater success story than Chrysler's Sterling Heights Assembly Plant, or SHAP?

Once left for dead with the detritus of Chrysler's corporate bankruptcy, the plant has emerged from the ashes and is now building three vehicles, including the Chrysler 200, the 200 convertible and the Dodge Avenger, all mid-size cars.

Of late, Chrysler leadership, UAW reps and elected officials gathered at SHAP on June 21, when they held a big groundbreaking for a new, state-of-the-art paint shop – an impressive \$850 million investment first pledged by Chrysler Group in October 2010, with that amount earmarked for SHAP and two nearby stamping plants.

The construction of the 500,000-square-foot paint shop is expected to be completed by the end of 2012.

"SHAP and the men and women who work there have risen to any challenge they've met and have continued to make positive strides and succeeded in their work helping Chrysler build some of the best automobiles in the world," said U.S. Congresswoman Candice Miller, whose district includes the SHAP plant.

"This investment for a new, state-of-the-art paint shop for SHAP and its workers is an important marker signifying Chrysler's tremendous economic turnaround and growth towards economic prosperity. I congratulate everyone at SHAP and Chrysler Group for today's groundbreaking and I look forward to their continued success."

Meanwhile, Chrysler Group's Vice President and Head of Assembly Operations Fred Goed-

tel, joined by Congressman Gary Peters (D-MI); Macomb County Executive Mark Hackel; Sterling Heights Mayor Richard Notte; Executive Administrative Assistant to General Holiefield, UAW Vice President and Director of the Chrysler Department Tim Bressler; and other invited guests hailed the start of construction of the 500,000-square-foot paint shop. Expected to be completed by the end of 2012, the paint shop signifies a turning point for a plant whose future was uncertain two years ago.

"SHAP was scheduled to close by the end of 2010 as part of the court-approved reorganization of Chrysler," said Goedtel. "But now, 24 months later, we are celebrating a remarkable success story. A story that can be written thanks to the collaboration of industry, government and labor."

"With a new paint shop and the commitment of more than 2,300 employees, this plant is

poised for a bright future producing the next generation of Chrysler Group products," said Goedtel.

In addition to SHAP, some of the \$850 million will also be invested in the two area stamping plants in Sterling Heights and Warren.

"This is an important day for Chrysler Group and the UAW as the company celebrates the beginning of a new chapter for the Sterling Heights plant," said Bressler.

"This paint shop and the associated investment, along with the strong relationship between our two organizations, will contribute to the future success of Chrysler, this facility, our employees and the products we so proudly build."

Since June 2009, Chrysler Group has invested nearly \$3.2 billion in its U.S. facilities and has made significant progress toward building a successful enterprise, Chrysler officials said.



Sterling Heights Assembly Plant (SHAP) Manager Tyree Minner, from left, Congressman Gary Peters, Sterling Heights Mayor Richard Notte (in cab), Macomb County Executive Mark Hackel, Chrysler Group's Vice President and Head of Assembly Operations Fred Goedtel and UAW Executive Administrative Assistant Tim Bressler celebrated the start of construction of a new, state-of-the-art paint shop at a groundbreaking ceremony at Chrysler Group's Sterling Heights Assembly Plant. The 500,000-square-foot paint shop will be completed by the end of 2012.

Collector Brings New Life to Classic 1925 Model T

By ALISON BOGGS
The Spokesman-Review

COEUR D'ALENE, Idaho (AP) – In almost 30 years of working together on cars, it was the last car Russ Freund, of Post Falls, restored with his dad, Claude, that has attracted the greatest acclaim.

In January, the purple 1925 Ford Model T Roadster won prizes for design, engine and finish at one of the country's most prestigious car shows, the Grand National Roadster Show in Pomona, Calif. The car has been featured on the cover of two street rod magazines and has been photographed for a third. Journalists have called from New Zealand and France.

On Saturday, Russ Freund is expected show off the car to a hometown crowd at the 21st annual Car d'Alene classic car show in Coeur d'Alene. But the homecoming will be bittersweet after the sudden

death of his father and partner on April 27 while recovering from surgery. Claude Freund, a master builder of classic cars in Newman Lake, was 64.

"It's really hard," said Freund, who is 33. "He was my best friend. He's always been my mentor. We were a team. The last car we happened to do was mine."

Claude Freund was born and raised in Spokane and built his first classic car – a Ford Model T – when he was just 13 years old. He and his wife of 45 years, Susan, who were sweethearts at East Valley High School, lived in Newman Lake in a replica of a 1916 Texaco gas station.

"He's always had that passion. I'd go over on dates and we'd be in the garage," said Susan Freund, tears in her eyes. "It was such a lifestyle."

Claude Freund's memorial service on May 7 at St. Joseph's Cemetery in Otis Or-

chards was billed as a "car show and celebration" of his life. Hundreds of people showed up in classic cars, and in lieu of flowers they brought 3,000 Hot Wheels toys to be donated to children's charities.

Russ Freund caught the passion from his father early in life. Family photos show him crawling under cars with his dad at age 5 or 6. He learned to drive in a 1934 Ford Coupe. Over the years, father and son restored numerous cars, attended dozens of shows with their families and landed their creations on the covers of classic car publications.

But the 1925 Model T was a step above.

He restored it on a budget, using income from his day job of selling automotive paint. He notes that some competitors' cars have had professional restorations costing up to \$1 million.

At the Pomona show, only two of the top cars were built by their owners; the rest were bought, he said.

"Normal people can't afford \$200,000 cars," Freund said. "For me, it's a pride in ownership thing. I built that car."

He chipped away at it over the course of two years with help from his dad and his buddies in Thee Inland Emperors car club. Though it might not have some of the features of other cars, Freund said, his father always told him, "it's not how much money you spend on a car; it's what you do with that money."

When he headed to Pomona with his dad and a bunch of friends, he said, "I'm broke. I'm flat busted. I've put my heart, my soul, into this car. The goal was to go, just to go there."

"We never thought in a million years we had a shot at winning," he said.

Mechatronics Unites LTU And German University

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academic growth through transatlantic research activities and intercultural education."

The cooperation will begin with a work plan developed by Professor Vladimir Vantsevich, the director of the Mechatronic Systems Laboratory at Lawrence Tech, and Professor Klaus Augsburg, the director of the Thuringia Innovation Center for Innovation and Mobility and vice provost of science at Ilmenau University of Technology. They have set the following goals for 2011-2013:

- Prepare proposals to create a transatlantic double master's degree in autonomous ground vehicle engineering;
- Initiate bilateral research projects with the support of regional industry and the state development corporation of Thuringia;
- Submit a joint research paper to the SAE Congress;
- Contribute to planned books on ground vehicle engineering and robotics engineering.

This agreement continues collaborative research initiated four years ago between Lawrence Tech's Mechatronic Systems Laboratory and the Department of Automotive Engineering at Ilmenau University of Technology when a German PhD student worked at Lawrence Tech for eight weeks in 2007. Five research papers have been jointly published, and Augsburg and PhD students visited Lawrence Tech in 2010.

Vantsevich joined the Lawrence Tech faculty in 2001 after a nearly 20-year academic career in the eastern European country of Belarus, where he specialized in designing driveline systems and control devices.

A mechatronics engineer unites the principles of mechanics, electronics, and computing to generate a simpler, more economical and reliable system. The use of mechatronics in industry is much more widespread in Europe than in the United States, according to Vantsevich.

"We can gain much from working with German professors who are very familiar with the industrial applications of mechatronics. Lawrence Tech's location at the center of the automotive industry in the United States should provide new opportunities for our German colleagues," Vantsevich said.

Lawrence Technological University, www.ltu.edu, offers more than 100 undergraduate, master's and doctoral degree programs in the Colleges of Architecture and Design, Arts and Sciences, Engineering, and Management.

Founded in 1932, the 4,500-student, private university pioneered evening classes and today has a growing number of weekend and online programs.

Lawrence Tech's 102-acre campus is in Southfield, and programs are also offered in Detroit, Lansing, Petoskey, Traverse City and Toronto. Lawrence Tech also partners with universities in Mexico, Europe, the Middle East and Asia.

White House Explains Release of 'Strategic Oil'

by Gerald Scott
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U.S. Auto Scene

In a somewhat surprising move to prop up global oil supply and – presumably – retail pricing, the Obama Administration compelled the U.S. Department of Energy to make a rare release from America's Strategic Petroleum Reserve last week.

As such, U.S. Energy Secretary Steven Chu announced last week that the U.S. and its partners in the International Energy Agency (IEA) have decided to release a total of 60 million barrels of oil onto the world market over the next 30 days to "offset the disruption in the oil supply caused by unrest in the Middle East," DOE said in a release.

"As part of this effort, the U.S. will release 30 million barrels of oil from the Strategic Petroleum Reserve (SPR). The SPR is currently at a historically high level with 727 million barrels.

Said DOE's Steven Chu, "We are taking this action in response to the ongoing loss of crude oil due to supply disruptions in Libya and other countries and their impact on the global economic recovery."

"As we move forward, we will continue to monitor the situation and stand ready to take additional steps if necessary."

White House officials held a national phone press conference with business media to explain their position. One official, speaking on background, said the release represented only about 5 percent of the total contained in the SPR (believed to be in caverns in the Gulf of Mexico, somewhat near New Orleans) and that it was being done for strategic and not political reasons.

Still, not everyone was thrilled with the Administration's move at this time.

U.S. Congresswoman Candice Miller (R-MI), whose district is in Macomb County, issued the following statement:

"Today's announcement that the President will release 30 million barrels of oil from the SPR is more proof that this Administration has no plan to deal with our nation's

long-term energy needs," it stated.

"It is ridiculous that the President would rather take millions of barrels of oil from an emergency reserve, which is in place to protect our nation from supply disruptions, than take the steps needed to open up our domestic energy reserves to exploration that will not only provide the energy supplies we need, but will also create jobs here at home."

Miller added, "I think it is ironic that the 30 million barrel release from the SPR is equal to the amount of oil that could be derived in just one month from Alaska's Outer Continental Shelf if the Obama Administration would remove roadblocks they continue to place on exploration here at home."

During the White House phoner, officials did not comment specifically on Miller's screed, and more or less stuck to the script that it was being done to patch the loss of approximately 140 million barrels of lost production thanks to civil war in Libya.

Meanwhile, DOE said that the U.S. has been in close contact with oil producing and consuming countries about disruptions to the international oil market that could affect the global economy.

DOE says that the situation in Libya has caused a loss of roughly 1.5 million barrels of oil per day – particularly of light, sweet crude – from global markets. (White House officials, speaking on background, said that 100 percent of this release from SPR would also be of light, sweet crude, and that the government had to go through much the same paperwork with auctions and market prices that oil producing countries go through, to effect the release).

DOE's release added, "The Administration will continue to consult closely with other consuming and producing countries in the period ahead. The decision today is intended to complement the production increases recently announced by a number of major oil producing countries (including Saudi Arabia - editor). The United States welcomes those commitments and encourages other coun-



A senior White House official explained the reasons behind the Administration's release of oil from the Strategic Petroleum Reserve in a conference call with business reporters last week.

tries to follow suit."

It might be noted that John Kingston's oil industry blog, The Barrel, quoted back on July 24, 2008, as follows, "Daniel J. Weiss, the senior fellow and director of climate strategy at the Center for American Progress, followed up today's vote on SPR with an interesting take on SPR history.

7 Year Old Drives Car at Speeds Up to 50 MPH

CASEVILLE, Michigan (AP) – A 7-year-old boy barefoot and in pajamas drove a car for 20 miles, sometimes hitting speeds of 50 mph, before finally slowing down and stopping with the help of authorities who were in hot pursuit.

"He was crying and just kept saying he wanted to go to his dad's," Caseville Police Chief Jamie Learman said. "That was pretty much it. He just wanted to go to his dad's."

Police began looking for the Pontiac Sunfire around 10:15 a.m. Monday after someone called about a very young driver. The boy was staying with his mother in Huron County's Sheridan Township, a rural area 110 miles north of Detroit. She had worked the night shift and was unaware her son and the car were gone.

The boy had hoped to drive to his father's home in Fillion, also in northern Michigan. Police pulled him over in a 55 mph

"We know that releasing Reserve oil will lower prices," he said in a prepared statement (in 2008).

"Presidents George H.W. Bush, Bill Clinton, and George W. Bush each released oil from the Reserve. After their announcements, (global) prices dropped \$5 to \$10 a barrel within days, and remained lower for months."

zone in Caseville Township, some 15 miles to the west.

Learman told the Detroit Free Press he feared the boy would crash as the car veered to the right on a rural road and fishtailed.

"When that happened, he seemed to be increasing his speeds," Learman said.

The chief sped ahead and tried to box-in the Sunfire with the help of a Huron County sheriff's deputy who was behind in another vehicle.

"I slowed down, he slowed down and eventually stopped," Learman said.

Huron County Sheriff Kelly Hanson said the prosecutor's office and child welfare officials were reviewing the matter.

The prosecutor "is going to want to know things like . . . where did he learn how to drive?" Hanson said.

Learman said he's seen drivers under 15 but not someone this young.

GM to Put \$20 Million into Fairfax Assembly Plant

KANSAS CITY, Kan. – General Motors will invest \$20 million in machinery and equipment for its Fairfax Assembly plant to add future technologies and improvements to the Buick LaCrosse, including eAssist, a light electrification technology that will boost highway fuel economy by 25 percent over the current model.

"The LaCrosse has been critical to the resurgence of Buick, bringing many new customers to Buick showrooms," said GM Manufacturing Manager Jim Glynn.

"This investment to improve an already strong car will help us continue winning converts to the brand."

The Fairfax announcement is part of the \$2 billion U.S. investment that GM announced for 17 facilities in eight states on May 10. Facilities in Bowling Green, Ky.; Arlington, Tex.; Toledo and Defiance, Ohio; Bedford, Ind., and Bay City, Detroit, Flint, Lansing and Warren, Mich., also received investments that will positively impact employment. This builds on the \$3.4 billion invested and 9,000 jobs created or retained in the United States since mid-2009.

The Fairfax investment is primarily for manufacturing machinery, equipment and special tooling for the current facility. The plant, which opened in 1987, is home to the LaCrosse and the Chevrolet Malibu.

With more than 3,900 employees, the Fairfax plant is the largest employer in the Kansas City Metro area. The plant operates on three shifts and in 2010 produced 320,000 Malibus and LaCroses.

"We appreciate the tremendous support we have received from the Kansas City community over the years," Glynn said.

"This investment is possible because of the teamwork between GM, the UAW, the Kansas City, Kansas, community and the great State of Kansas."

Joe Ashton, UAW vice president-GM Department, added, "The UAW realizes the importance of investments that provide our members with the tools they need to compete."

Today's investment in the Fairfax plant not only upgrades the facility, it provides our members of UAW Local 31 with a chance to succeed in a very competitive segment of today's U.S. auto industry.

"I am confident that our members will continue to build high-quality, affordable cars for our customers."

This announcement by GM is one in a series of internal investments that the Detroit automaker has made in its infrastructure throughout 2011.

Ever since coming out of corporate bankruptcy in 2009, GM has put some money into almost every one of its North American facilities as evidence that its turnaround is the real deal.